

Digital Finance

Cryptocurrencies

Lecture 5

Types of Cryptocurrencies and Uses

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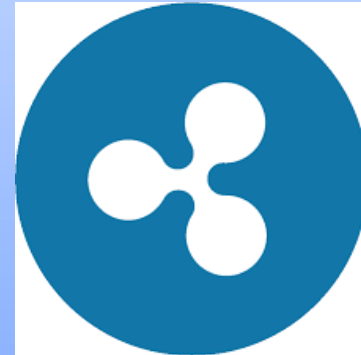
- Bitcoin origins: Peer-to-Peer “cash-like” transactions
- Limited Quantity (21 million coins)
- No need for third-party intermediary
- Double-spend problem

Cryptocurrencies and Uses (cont.)

- Protocol Tokens and Uses:
 - Store Value
 - Acts more like cash
 - Usually considered a security

Cryptocurrencies and Uses (cont.)

- Protocol Tokens



Cryptocurrencies and Uses (cont.)

- Utility/Application Tokens and Uses:
 - May store value, but usually has a function
 - Acts similar to an arcade token
 - Sometimes considered a security, sometimes not

Current Regulatory Landscape

Current Regulatory Landscape

- SEC
- U.S. Treasury/FinCEN
- IRS
- State Regulators/Lawsuits

Investment Potential and Concerns

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- How and Where to Invest
 - Exchanges
 - Crypto ATMs
 - Peer-to-Peer

Investment Potential and Concerns

- How and Where to Invest
 - ETFs
 - Futures
 - Hedge Funds
 - Initial Coin Offerings (ICOs)

Tax Concerns

- As Income
 - Market Value of:
 - Currency
 - Good or Service Provided
- As Property
 - Cost Basis
 - Capital Gains